



*Ann M. Menke*

Certified Public Accountant  
A Professional Corporation

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**SOUTH IOWA AREA CRIME COMMISSION**

**INDEPENDENT AUDITOR'S REPORTS**  
**FINANCIAL STATEMENT AND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FINDINGS**

**JUNE 30, 2011**

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## **SOUTH IOWA AREA CRIME COMMISSION**

### **Officials**

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Steve McCoy	Executive Director	
Richard Reed	Chairman	Jefferson County
Willie Van Weelden	Vice Chairman	Mahaska County
Jerry Parker	Secretary/Treasurer	Wapello County
Cliff Sheriff	Member	Adair County
Dean Kaster	Member	Appanoose County
Ron Bride	Member	Davis County
Dan Cahill	Member	Des Moines County
Gary See	Member	Henry County
Deke Wood	Member	Keokuk County
Larry Kruse	Member	Lee County
Chris Ball	Member	Louisa County
John Hughes	Member	Monroe County
Marvin Phillips	Member	Van Buren County
Jim Miksch	Member	Washington County
Amy Sinclair	Member	Wayne County

**SOUTH IOWA AREA CRIME COMMISSION**



Ann M. Menke

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Independent Auditor's Report

To the Board of Directors of the  
South Iowa Area Crime Commission  
Fairfield, Iowa

I have audited the accompanying financial statement of the South Iowa Area Crime Commission as of and for the year ended June 30, 2011. This financial statement is the responsibility of the South Iowa Area Crime Commission's management. My responsibility is to express an opinion on the financial statement based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, this financial statement is prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

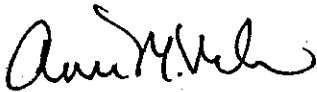
In my opinion, the financial statement referred to above present fairly, in all material respects, the cash basis financial position of the South Iowa Area Crime Commission as of June 30, 2011 and the changes in its cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, I have also issued my report dated December 20, 2011 on my consideration of the South Iowa Area Crime Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Management's discussion and analysis on pages 8 through 11 is not a required part of the financial statement, but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statement of the South Iowa Area Crime Commission. Other supplemental information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in my audit of the basic financial statement and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statement taken as a whole.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ann M. Menke".

Ann M. Menke  
Certified Public Accountant  
Professional Corporation  
December 20, 2011

**SOUTH IOWA AREA CRIME COMMISSION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The South Iowa Area Crime Commission provides this Management's Discussion and Analysis of its financial statement. This narrative overview and analysis of the financial activities is for the year ended June 30, 2011. We encourage readers to consider this information in conjunction with the South Iowa Area Crime Commission's financial statement, which follows.

### **2011 FINANCIAL HIGHLIGHTS**

- Operating receipts decreased 1.9%, or approximately \$12,060, from fiscal year 2010 to fiscal year 2011.
- Operating disbursements increased 2.7%, or approximately \$15,572, from fiscal year 2010 to fiscal year 2011.
- Cash basis net assets increased approximately \$14,077, or 4.3%, from June 30, 2010 to June 30, 2011.

### **USING THIS ANNUAL REPORT**

The Commission has elected to present its financial statement on the cash basis of accounting. The cash basis of accounting is a basis of accounting other than generally accepted accounting principles in the United States of America. Basis of accounting refers to when financial events are recorded, such as the timing for recognizing revenues, expenses and the related assets and liabilities. Under the cash basis of accounting, revenue and expenses and the related assets and liabilities are recorded when they result from cash transactions.

As a result of the use of the cash basis of accounting, certain assets and their related revenues and liabilities and their related expenses are not recorded in this financial statement. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of cash basis of accounting.

The annual report is presented in a format consistent with the presentation of Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the cash basis of accounting.

This discussion and analysis are intended to serve as an introduction to the financial statement. The annual report consists of financial statement and other information, as follows:

Management's Discussion and Analysis introduces the financial statement and provides an analytical overview of the Commission's financial activities.

The Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets presents information on the Commission's operating receipts and disbursements, non-operating receipts and disbursements and whether the Commission's cash basis financial position has improved or deteriorated as a result of the year's activities.



Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statement.

## FINANCIAL ANALYSIS OF THE COMMISSION

### *Statement of Cash Receipts, Disbursements and Changes in Cash Basis Net Assets*

The purpose of the statement is to present the receipts received by the Commission and the disbursements paid by the Commission, both operating and non-operating. The statement also presents a fiscal snapshot of the cash balance at year end. Over time, readers of the financial statement are able to determine the Commission's cash basis financial position by analyzing the increase and decrease in cash basis net assets.

Operating receipts are received for assessments from the members of the Commission and transport fees. Operating disbursements are disbursements paid to operate the Commission. Non-operating receipts and disbursements are for interest on investments, equipment purchases and capital purchases. A summary of cash receipts, disbursements, and changes in cash basis net assets for the years ended June 30, 2011 and June 30, 2010 is as follows:

	Year ended June 30,	
	2011	2010
Operating receipts:		
County assessments	\$ 235,564	\$ 235,564
County transport fees	335,350	350,575
Other reimbursements	41,835	38,670
Total operating receipts	<u>612,749</u>	<u>624,809</u>
Operating disbursements:		
Salaries and benefits	369,224	365,144
Payroll taxes	26,010	31,713
Dues and subscriptions	1,277	821
Insurance	19,534	11,475
Office expense	4,975	10,975
Professional fees	42,190	41,486
Repairs and maintenance	68,602	56,905
Telephone	10,228	10,116
Training	11,629	12,504
Travel and transport expenses	25,692	21,993
Utilities	2,891	3,548
Total disbursements	<u>582,252</u>	<u>566,680</u>
Excess of operating receipts Over operating disbursements	<u>30,497</u>	<u>58,129</u>

Non-operating receipts (disbursements):		
Interest income	280	589
Capital purchases	-16,700	-22,722
Membership rebate	-	-45,113
Net non-operating disbursements	-16,420	-67,246
Change in cash basis net assets	14,077	-9,117
Net assets-cash basis beginning of year	330,340	339,457
Cash basis net assets end of year	\$ 344,417	\$ 330,340

In fiscal year 2011, operating receipts decreased \$12,060, or 1.9%, less than fiscal year 2010. The decrease was primarily due to less usage at the Juvenile Detention Center and a decrease in transport fees because some counties were using another supplier. In fiscal year 2011, operating disbursements increased \$15,572, or 2.7%, compared to fiscal year 2010.

The Commission's net assets increased approximately \$14,077, or 4.3%, during the year.

## ECONOMIC FACTORS

A review of the fiscal year budget for the Crime Commission showed actual operating income exceeding expectations by \$9,776, with operating receipts being less than expected and operating expenditures were less than projected.

The current financial status of the organization indicates financial assets total approximately \$146,347.

Current and upcoming projects for the Crime Commission include maintaining the cornerstones of our lawsuit avoidance efforts; jail policies and procedures; standard operating procedures; jail audits; fire evacuation training; and in-service training. Work continues towards a successful transition into Adair County's new jail, expected to open in December, 2011. Training for fiscal 2011 included five 20 hour jail schools: September, 2010 in Burlington; October, 2010 in Ottumwa; November, 2010 in Corydon; December, 2010 in Wapello; and April, 2011 in Oskaloosa. Two 40 hour basic jailer training schools with medication management included were conducted in October, 2010 and May, 2011 in Ottumwa. TASER training was conducted in December, 2010 and April, 2011 in Ottumwa and Oskaloosa. Dispatcher Simulator Training was conducted in Sigourney in November, 2010. In July and September of 2010, and again in June, 2011, we conducted pre-employment suitability testing for correctional officers in Louisa, Henry, and Adair counties. Training on upcoming PREA standards was conducted for Sheriffs and Jail Administrators March and April, 2011 at Fairfield.

A review of the fiscal year Juvenile Project budget showed actual operating income up from expectations by approximately \$19,634, while normal operating expenditures were \$32,989 less than projected. Revenues were \$13,355 less than projected. Additional expenses beyond the normal operating budget included vehicle purchases/replacements of \$16,700.

The current financial status of the Juvenile Project indicates total financial assets are approximately \$198,070.

A review of the summary of transports, transport administrative cost history, and vehicle fuel/maintenance cost summary showed less of a productive and successful year for the Juvenile Project. The net assets of the Juvenile Project have increased by only \$77 during the year. There was less usage at the Juvenile Detention Center and some counties were using another supplier for transporting. Capital purchases were approximately the same as last year. This past fiscal year showed a total of 1,476 transports, a decrease of 272 from the prior year.

#### **CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Steve McCoy, Executive Director, South Iowa Area Crime Commission, 212 Glasgow Road, Fairfield, Iowa, 52556.

## **FINANCIAL STATEMENT**

**SOUTH IOWA AREA CRIME COMMISSION**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND**  
**CHANGES IN CASH BASIS NET ASSETS**  
**As of and for the Year Ended June 30, 2011**

	General Operating	Alternative Juvenile Detention Project	Total
Operating receipts:			
County assessments	\$ 235,564	\$ -	\$ 235,564
County transport fees	-	335,350	335,350
Other reimbursements	38,540	3,295	41,835
Total operating receipts	<u>274,104</u>	<u>338,645</u>	<u>612,749</u>
Operating disbursements:			
Salaries and benefits	198,599	170,625	369,224
Payroll taxes	13,795	12,215	26,010
Dues and subscriptions	1,277	-	1,277
Insurance	2,586	16,948	19,534
Office expense	3,985	990	4,975
Professional fees	15,515	26,675	42,190
Repairs and maintenance	-	68,602	68,602
Telephone	2,943	7,285	10,228
Training	10,661	968	11,629
Travel and transport expenses	9,256	16,436	25,692
Utilities	1,639	1,252	2,891
Total operating disbursements	<u>260,256</u>	<u>321,996</u>	<u>582,252</u>
Excess of operating receipts over operating disbursements	<u>13,848</u>	<u>16,649</u>	<u>30,497</u>
Non-operating receipts (disbursements):			
Interest income	152	128	280
Capital purchases	-	(16,700)	(16,700)
Membership rebate	-	-	-
Net non-operating disbursements	<u>152</u>	<u>(16,572)</u>	<u>(16,420)</u>
Net change in cash basis net assets	14,000	77	14,077
Unrestricted net assets - cash basis beginning of year	<u>132,347</u>	<u>197,993</u>	<u>330,340</u>
Unrestricted net assets - cash basis end of year	<u>\$ 146,347</u>	<u>\$ 198,070</u>	<u>\$ 344,417</u>

See notes to financial statements.

**SOUTH IOWA AREA CRIME COMMISSION**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended June 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The South Iowa Area Crime Commission was formed in 1971 pursuant to the provisions of Chapter 28E of the Code of Iowa. The purpose of South Iowa Area Crime Commission is to provide centralized administration and coordinate planning efforts for crime prevention programs, criminal justice programs, jail planning and procedures, and other related programs under the direction of the member counties.

The governing body of the Commission is composed of one representative from each of the fifteen member counties. The member counties include: Adair, Appanoose, Davis, Des Moines, Henry, Jefferson, Keokuk, Lee, Louisa, Mahaska, Monroe, Van Buren, Wapello, Washington, and Wayne. Each member county has one vote.

**A. Reporting Entity**

For financial reporting purposes, the South Iowa Area Crime Commission has included all funds, organizations, agencies, boards, commissions, and authorities. The Commission has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Commission are such that exclusion would cause the Commission's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Commission to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Commission. The South Iowa Area Crime Commission has no component units which meet the Governmental Accounting Standards Board criteria.

**B. Basis of Presentation**

The accounts of the Commission are organized as an Enterprise Fund. Enterprise Funds are utilized to finance and account for the acquisition, operations and maintenance of governmental facilities and services supported by user charges.

Enterprise Funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an Enterprise Fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

**SOUTH IOWA AREA CRIME COMMISSION**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended June 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting**

The Commission maintains its financial records on the basis of cash receipts and disbursements and the financial statement of the Commission is prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable, and accrued items. Accordingly, the financial statement does not present the financial position and results of operations in accordance with accounting principles generally accepted in the United States of America.

**D. Budgets and Budgetary Accounting**

The budgetary comparison is reported as Supplementary Information.

**NOTE 2 – CASH AND POOLED INVESTMENTS**

The Commission's deposits in banks at June 30, 2011 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Commission is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposits or other evidences of deposit at federally insured depository institutions approved by the Commission; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The Commission had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of \$331,703 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk – The Commission's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the Commission.

Credit risk – The Commission's investment in the Iowa Public Agency Investment Trust is unrated.

**SOUTH IOWA AREA CRIME COMMISSION**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended June 30, 2011**

**NOTE 3 – PENSION AND RETIREMENT BENEFITS**

The Commission contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.50% of their annual covered salary and the Commission is required to contribute 6.95% of annual covered salary. The Commission's contribution requirements are established by State statute. The Commission's contribution to IPERS for the years ended June 30, 2011, 2010, and 2009 were \$22,492, \$21,991, and \$20,557, respectively, equal to the required contribution for each year.

**NOTE 4 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

Plan Description - The Commission operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees and retirees and their spouses. There are two active members in the plan. Retired participants must be age 55 or older at retirement.

The medical/prescription drug benefits are provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees.

Funding Policy – The contribution requirements of plan members are established and may be amended by the Commission. The Commission currently finances the benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the Commission and plan members are \$587 for single coverage and \$1,489 for family coverage. The same monthly premiums apply to retirees. For the year ended June 30, 2011, the Commission contributed \$24,902 and plan members eligible for benefits contributed \$0 to the plan.

The Commission has no retirees participating in the plan as of June 30, 2011.

**NOTE 5 – COMPENSATED ABSENCES**

Commission employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, retirement, or death. These accumulations are not recognized as disbursements by the Commission until used or paid. The Commission's approximate liability for earned vacation and sick leave payable to employees at June 30, 2011, was \$24,361 and \$70,069, respectively.



**SOUTH IOWA AREA CRIME COMMISSION**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended June 30, 2011**

**NOTE 6 – RISK MANAGEMENT**

The Commission is a member of the Iowa Communities Assurance Pool, as allowed by Chapter 670.7 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 645 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property, inland marine, and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each member's annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital. Capital contributions are made during the first six years of membership and are maintained to equal 150 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The Commission's property and casualty contributions to the risk pool are recorded as disbursements from its operating funds at the time of payment to the risk pool. The Commission's annual contributions to the Pool for the year ended June 30, 2011 were \$10,938.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim. For members requiring specific coverage from \$3,000,000 to \$12,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$150,000 each occurrence, each location, with excess coverage reinsured by the Travelers Insurance Company.

**SOUTH IOWA AREA CRIME COMMISSION**  
**NOTES TO FINANCIAL STATEMENT**  
**For the Year Ended June 30, 2011**

**NOTE 6 – RISK MANAGEMENT (CONTINUED)**

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. As of June 30, 2011, settled claims have not exceeded the risk pool or reinsurance coverage since the Pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days' prior written notice may withdraw from the Pool. Upon withdrawal, payments for all casualty claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their casualty capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its casualty capital contributions. However, the refund is reduced by an amount equal to the annual casualty operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

The Commission also carries commercial insurance purchased from other insurers for coverage associated with worker's compensation. The Commission assumes liability for any deductibles, and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 7 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 20, 2011, the date which the financial statements were available for issue.

## **SUPPLEMENTAL INFORMATION**

**SOUTH IOWA AREA CRIME COMMISSION**  
**COMPARISON OF RECEIPTS AND DISBURSEMENTS**  
**ACTUAL TO BUDGET - GENERAL OPERATING**  
**For the Year Ended June 30, 2011**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>
Operating receipts:			
County assessments	\$ 235,564	\$ 235,564	\$ -
Other reimbursements	38,540	40,819	(2,279)
Total operating receipts	<u>274,104</u>	<u>276,383</u>	<u>(2,279)</u>
Operating disbursements:			
Salaries and benefits	198,599	194,527	(4,072)
Payroll taxes	13,795	14,884	1,089
Dues and subscriptions	1,277	2,500	1,223
Insurance	2,586	7,300	4,714
Office expense	3,985	6,200	2,215
Professional fees	15,515	17,500	1,985
Repairs and maintenance	-	2,000	2,000
Telephone	2,943	3,000	57
Training	10,661	11,500	839
Travel and transport expenses	9,256	9,900	644
Utilities	1,639	3,000	1,361
Total operating disbursements	<u>260,256</u>	<u>272,311</u>	<u>12,055</u>
Excess of operating receipts over operating disbursements	<u>13,848</u>	<u>4,072</u>	<u>9,776</u>
Non-operating receipts (disbursements):			
Interest income	152	5,000	(4,848)
Capital purchases	-	(3,000)	3,000
Membership rebate	-	-	-
Net non-operating disbursements	152	2,000	(1,848)
Excess/(deficiency) of receipts over disbursements	<u>\$ 14,000</u>	<u>\$ 6,072</u>	<u>\$ 7,928</u>

See accompanying notes.

**SOUTH IOWA AREA CRIME COMMISSION**  
**COMPARISON OF RECEIPTS AND DISBURSEMENTS**  
**ACTUAL TO BUDGET - ALTERNATIVE JUVENILE DETENTION PROJECT**  
**For the Year Ended June 30, 2011**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>
Operating receipts:			
County transport fees	\$ 335,350	\$ 350,000	\$ (14,650)
Other reimbursements	3,295	2,000	1,295
Total operating receipts	<u>338,645</u>	<u>352,000</u>	<u>(13,355)</u>
Operating disbursements:			
Salaries and benefits	170,625	181,218	10,593
Payroll taxes	12,215	11,617	(598)
Insurance	16,948	19,000	2,052
Office expense	990	2,500	1,510
Professional fees	26,675	27,500	825
Repairs and maintenance	68,602	78,500	9,898
Telephone	7,285	9,100	1,815
Training	968	3,300	2,332
Travel and transport expenses	16,436	19,250	2,814
Utilities	1,252	3,000	1,748
Total operating disbursements	<u>321,996</u>	<u>354,985</u>	<u>32,989</u>
Excess of operating receipts over operating disbursements	<u>16,649</u>	<u>(2,985)</u>	<u>19,634</u>
Non-operating receipts (disbursements):			
Interest income	128	3,000	(2,872)
Capital purchases	<u>(16,700)</u>	<u>-</u>	<u>(16,700)</u>
Net non-operating disbursements	<u>(16,572)</u>	<u>3,000</u>	<u>(19,572)</u>
(Deficiency)/excess of receipts over disbursements	<u>\$ 77</u>	<u>\$ 15</u>	<u>\$ 62</u>

See accompanying notes.

**SOUTH IOWA AREA CRIME COMMISSION**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**



*Ann M. Menke*

Certified Public Accountant  
A Professional Corporation

Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of a Financial Statement Performed in  
Accordance with Government Auditing Standards

To the Board of Directors of the  
South Iowa Area Crime Commission  
Fairfield, Iowa

I have audited the accompanying financial statement of the South Iowa Area Crime Commission as of and for the year ended June 30, 2011, and have issued my report thereon dated December 20, 2011. My report expressed an unqualified opinion on the financial statement which was prepared in conformity with an other comprehensive basis of accounting. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the South Iowa Area Crime Commission's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statement, but not for the purpose of expressing my opinion on the effectiveness of South Iowa Area Crime Commission's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the South Iowa Area Crime Commission's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, I identified certain deficiencies in internal control over financial reporting that I consider to be material weakness.

A deficiency in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of South Iowa Area Crime Commission's financial statement will not be prevented or detected and corrected on a timely basis. I consider the deficiency described in the accompanying Schedule of Findings as item 2011-I-A to be a material weakness.



### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the South Iowa Area Crime Commission's financial statement is free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

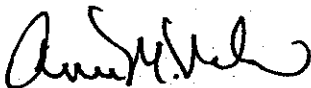
Comments involving statutory and other legal matters about the Commission's operations for the year ended June 30, 2011 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statement of the Commission. Since my audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

The South Iowa Area Crime Commission's written responses to findings identified in my audit are described in the accompanying Schedule of Findings. While I have expressed my conclusions on the Commission's responses, I did not audit the Commission's responses, and accordingly, I express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the members and customers of the South Iowa Area Crime Commission and other parties to whom the Commission may report and is not intended to be and should not be used by anyone other than these specified parties.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of the South Iowa Area Crime Commission during the course of my audit. Should you have any questions concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.

Sincerely,



Ann M. Menke  
Certified Public Accountant  
December 20, 2011

**SOUTH IOWA AREA CRIME COMMISSION  
SCHEDULE OF FINDINGS  
For the Year Ended June 30, 2011**

**Part I: Findings Related to the Financial Statements:**

**SIGNIFICANT DEFICIENCIES:**

2011-I-A:

Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. I noted the same individual who prepares the bank deposits may also prepare billings, maintain cash receipts and accounts receivable records, prepare checks, and record disbursements in the accounting records.

Recommendation – I realize that with a limited number of office employees, segregation of duties is difficult. However, the Commission should continue to review its operating procedures to obtain the maximum internal control possible under the circumstances.

Response – Due to the limited number of office employees, segregation of duties is difficult. However, we will continue to have the manager and other staff, where appropriate, review receipts, invoices and bill payments, and payroll as much as possible.

Conclusion – Response accepted.

**Part II: Other Findings Related to Statutory Reporting:**

2011-II-A

Questionable Disbursements – No disbursements I believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

2011-II-B

Travel Expense – No disbursements of Commission money for travel expenses of spouses of Commission officials or employees were noted.

2011-II-C

Commission Meetings – No transactions were found that I believe should have been approved in the Commission minutes but were not.

2011-II-D

Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the Commission's investment policy were noted.

## **SOUTH IOWA AREA CRIME COMMISSION**

### **Audit Staff**

The audit was performed by:

Ann M. Menke, CPA

Carol Ross, CPA

Toni Ramsey, Staff Auditor

